GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Dept - IT Promotion – AP IT Policy 2014-2020 – Promotion of private Built up space for leasing to IT companies – Designated Technology Park(DTP) - Addendum to Incentives under IT Policy 2014 – 2020 – Proposal for approval, reg.

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.MS.No. 21 **Dated: 17-10-2015**

Read the following:

AP IT Policy 2014-2020, issued vide G.O Ms.No:13, ITE&C Dept, dated: 11.08.2014

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ORDER:

Government of AP strongly believes that the technology is the backbone of economy. Keeping this in view, Government has put in place a comprehensive Blueprint – "Reimagining AP, A Role of e-Governance electronics and IT for development of Electronics and Information Technology industry in the State. The vision of the Blueprint is to develop "Andhra Pradesh as an innovation Society of Global repute with a focus on enhancing the quality of life of its citizens through high quality education and health care, increased productivity in agriculture and allied activities, creation of requisite employment by promoting electronics and IT and above all providing Good Governance."

2. Based on the Blue Print, vide GO Ms No:13, dated :11-08-2014, read above, through IT Policy 2014 – 2020 certain incentives have been put in place to attract IT companies/units to set up their operations in the new State of Andhra Pradesh. However, subsequently other States in the country have brought some more incentives which are more attractive for IT companies. Further there is no ready built up IT office space with Government and IT companies are looking for additional incentives from Government to enable them to operate their IT activities in private IT office spaces in most affordable manner.

3. Keeping the above in view and in order to motivate the IT companies/units, on par with other competing States, to invest and provide gainful employment in the new State of Andhra Pradesh, Government after careful consideration and examination of all the concerned issues, hereby put in place the following incentives as **Addendum** to the IT Policy 2014 – 2020 issued vide read above:

Incentives for providing the following incentives to all IT companies/Units for taking private IT office spaces in DESIGNATED TECHNOLOGY PARK (DTP):

i) Lease Rentals Reimbursement: 50% of Lease Rentals paid for IT office space, in a notified DESIGNATED TECHNOLOGY PARK, *subject to a maximum of Rs.10 lakhs per annum*, for a period of THREE years, linked to the employment generated.

ii) Bandwidth (Internet charges) paid to Internet Service Providers: 25% of Bandwidth connectivity paid to Internet Service Provider by an IT Company/Unit, *subject to a maximum of Rs.15 lakhs per annum***,** for a period of THREE years from the date of starting commercial production/operation.

iii) Reimbursement of fixed power cost @ Re.1/- per unit consumed for a period of 5 years from the date of commencement of commercial operations.

iv) Exemption of electricity duty and applicability of industrial tariff – IT/ITES units after coming into commercial operations will be entitled for 100% exemption from Electricity duty for a period of 5 years, subject to the condition that meter/power service connection shall be in the name of the IT company/Unit.

v) 100% reimbursement of the stamp duty Transfer Duty and Registration Fee paid to the Sub Registrar, Registration & Stamps Department, on rental/lease premium/ lease deeds on the first transaction and 50% thereof on the second transaction.

b) Incentives for providing the following Incentives for 3 years to private infrastructure providers /developers /builders /owners / lessors for providing state-of-the-art plug and play IT office spaces on being notified as Designated Technology Park(DTP):

i) 50% Reimbursement of Property Tax paid to the Local Municipal Authorities, proportionate and limited to the built up IT office space, rented/leased to IT companies/Unit

ii) 50% Reimbursement of Insurance Premium on Building insured, proportionate and limited to the built up IT office space rented/leased to IT companies.

iii) 50% Reimbursement of facility maintenance charges paid to Facility Management Companies, proportionate and limited to the built up IT office space rented/leased to IT companies, *subject to a maximum of Rs.5 lakhs per annum.*

iv) 50% Reimbursement of one time cost creating common infrastructure like Conference hall with equipment such as projection/audio/video systems, Server room, Cafeteria etc. for the entire building\IT facility, *subject a maximum of Rs.10,00,000*/- .

v) Reimbursement of 10% of the total interest paid on the loan obtained from any financial institution, for Construction of IT office spaces by private infrastructure providers/developers/builders/owners/lessor.

c) Reimbursement of PF to a maximum of Rs 2000/- per month per employee for newly created positions by IT Companies for a period of 2 years, subject to the condition that such employment created is sustained for 2 continuous years. The reimbursement will be effected after the verification of employment data from the PF submission. This incentives is available to all IT companies, whether existing or new, for addition/fresh/expansion of employees.

4. The owners of already having built-up/to be built within one year office spaces on Plug & Play basis anywhere in AP, can apply for being recognized as Designated Technology Park(DTP).

5. This Policy shall be applicable to all IT companies/Units and Designated Technology Parks for availing the benefit under this Policy within one year from the date of notification of the Policy Guidelines. The above benefits are available for all the IT Companies/Units and recognized Designated Technology Parks for three years, if availed under this Policy within one year. These Policy Guidelines shall be reviewed thereafter.

6. ITE&C Dept shall issue appropriate operational guidelines on fulfillment of conditions/prescribed requisite documentation for notifying private built up IT office spaces as designated Technology Park and for administering the above applicable/eligible incentives thereon, as mentioned in the above paras.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G.S. PHANI KISHORE,
SPL.SECRETARY TO GOVERNMENT.

To
All the Departments of Secretariat
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Andhra Pradesh
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman & MD, AP TRANSCO
The Managing Director, APEPCPDCL /SPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/VGTMUDA
All the District Collectors & Magistrates, AP
All the Municipal Commissioners, AP,
The Development Commissioner, VSEZ, Visakhapatnam
The Director, STPI, Andhra Pradesh
The President, ITsAP, Andhra Pradesh
The Regional Director, NASSCOM, Andhra Pradesh,
The President, VITA, Visakhapatnam,
The President, RITPA. Visakhapatnam
The President, GITA, Kakinada
The President, KITA, Vijayawada
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The Secretary to GOI, Department of Electronics & Information Technology (DeitY)
The Ministry of Communication & Information Technology, New Delhi
The Chief Minister's Office/Chief PRO to C.M.
The Chief Commissioner, Customs & Central Excise, Hyderabad
The OSD to Minister for Information Technology, Andhra Pradesh
The PS to Minister for Finance, Hyderabad
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The PS to Spl CS Planning, Andhra Pradesh
The PS to PFS, Andhra Pradesh
The PS to Principal Secretary to CM Andhra Pradesh
The PS to Chief Secretary to Govt

//FORWARDED:: BY ORDER//

SECTION OFFICER